

Date: November 28, 2018
W.I.: 1152
Referred by: Administration
Revised: 10/23/19-C
12/15/21-C
12/20/23-C

ABSTRACT

Resolution No. 4358, Revised

This resolution approves the terms and conditions to provide the Association of Bay Area Governments (ABAG) with an operational advance to meet liquidity and cash flow requirements.

This resolution was revised on October 23, 2019 to extend the ABAG Advance program to December 2021 and to authorize up to \$2 million to be used for multi-year loans.

This resolution was revised on December 15, 2021 to extend the \$8 million ABAG Operational Advance for Liquidity and Cash Flow through December 2023.

This resolution was revised on December 20, 2023 to extend the ABAG Advance program through December 2023 in a total amount of \$10 million and to clarify certain terms of the liquidity support and multi-year loans.

Further discussion of this subject is contained in the Administration Committee Summary Sheets dated October 9, 2019, December 8, 2021, and December 13, 2023.

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RE: ABAG Operational Advance

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4358, Revised

WHEREAS, MTC and ABAG extended a Contract for Services effective on May 30, 2017; and

WHEREAS, under the Contract for Services responsibility for ABAG financial services was transferred to MTC effective July 1, 2017; and

WHEREAS, in the process of administering ABAG finances, MTC determined that the volume of grants and contracts payable frequently exceeds the available cash to make timely payments; and

WHEREAS, the delay in processing ABAG payments potentially creates problems in project delivery and delays in reimbursement; and

WHEREAS, MTC proposes to resolve these issues through an advance of funds to be repaid by future grant reimbursements; and

WHEREAS, MTC previously authorized an operational advance to ABAG not to exceed \$10 million including up to \$2 million of funds for longer term project loans; and

WHEREAS, MTC Resolution No. 4394 further authorized a longer term loan of up to \$1 million for the ABAG BayREN Water Bill Savings Program; now, therefore, be it

RESOLVED that MTC agrees to make an operational advance to ABAG not to exceed \$10 million; and be it further

RESOLVED the Executive Director or Chief Financial Officer is directed to set aside \$10 million from any available MTC undesignated reserve; and be it further

RESOLVED that ABAG will be allowed to draw on the advance to meet cash flow needs; and be it further

RESOLVED that MTC authorizes up to \$2 million of the operational advance for longer term project loans; and be it further

RESOLVED that repayment of all advances be secured by grant or other revenue reimbursement; and be it further

RESOLVED that ABAG will not be charged interest through December 31, 2024 for operational advances for liquidity and cash flow needs; and be it further

RESOLVED that ABAG will be charged an interest rate equivalent to the California Pooled Money Investment Account average monthly effective yield beginning January 1, 2025 on any drawn amounts related to operational advances with no charge to be accrued on undrawn amounts; and be it further

RESOLVED that this advance shall be available until December 31, 2025, unless reauthorized in advance by MTC and ABAG subject to any outstanding longer-term project loans; and be it further

RESOLVED that any longer-term loan to ABAG BayREN Water Bill Savings Program be governed by MTC Resolution No. 4394; and be it further

RESOLVED the Executive Director and Chief Financial Officer are directed to report on the status of the advance at least quarterly.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution, revising and superseding the resolution approved on November 28, 2018 was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California on December 20, 2023.